

Book Review

“Business Statistics for Contemporary Decision Making” 5/e by Ken Black, Wiley India

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The last book that I read is “Business Statistics for Contemporary Decision Making” 5/e by Ken Black, Wiley India. The book is a basic text on inferential statistics. The beauty of the book is that it introduces a business problem in the form of a decision dilemma and then discusses the various statistical tools and techniques that can be used to resolve those dilemmas. The book also provides Excel and MINITAB outputs to show how personal computers can be used to business problems using statistics. The book consists of 18 chapters. The book begins by describing various types of data that one would encounter in practice. Then second chapter introduces descriptive statistics. Then a couple of chapters introduces the concept of probability and probability distributions. Probability concepts have been introduced in a very simple and effective way. Especially the use of probability matrices is very effective. Bayes theorem and its application in business decision making has been presented nicely. Then sampling & sampling distributions have been presented. After that the two problems of inferential statistics namely estimation and hypothesis testing are introduced. Especially the discussion on hypothesis testing procedure is excellent. In a very simple language the book describes the nitty-gritty of hypothesis testing. The book

provides a way of testing hypothesis called HTAB. In HTAB, H represents Hypothesize, T represents the test to be applied, A represents the statistical action regarding rejection or non rejection of the hypothesis and B represents the business implications of the test. The book also provides a unique 8-step procedure to test hypotheses. The commonly used technical terms such as level of significance, confidence interval, power of a test, p-value, degrees of freedom etc. are introduced in a very appealing manner. One of the greatest features of this book is that very rigorous topics such as interaction in ANNOVA are introduced in very intuitive manner and no prior knowledge of mathematics is required. The book describes both parametric and non parametric statistics.

Besides inferential statistics topics such as regression and time series analysis are also presented. Model building using simple and multiple regression has been presented in a very simple and intuitive manner. The assumptions of the ordinary least squares (OLS) are presented very simply.

After going through this book of course one would not become a statistician but at least the reader would be able to follow research papers and other specialized texts on Econometrics and Research Methodology.

I have read several books on statistics, management or new researchers who have just but this particular book is especially useful for embarked on their journey of research. students pursuing a course in business